

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4559-01
Bill No.: SB 1309
Subject: Higher Education, Privacy
Type: Original
Date: March 15, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue *	\$0	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund *	\$0	(Unknown)	(Unknown)

* expected to be greater than \$100,000.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government *	\$0	(Unknown)	(Unknown)

* expected to be greater than \$100,000.

FISCAL ANALYSIS

ASSUMPTION

Officials from **Lincoln University**, the **Department of Higher Education**, **Truman State University**, the **University of Missouri**, **Southwest Missouri State University**, and **Central Missouri State University** assume this proposal would have no fiscal impact to their organization.

Officials from the **Metropolitan Community Colleges** assume the proposal could result in significant losses to their organization from an inability to collect overdue student accounts and delinquent student loans.

Oversight assumes that the use of a Social Security Number for internal tracking and debt collection would be permissible under the proposal.

Officials from the **St. Louis Community College System** assume it would cost in excess of \$20,000 to comply with the proposal's requirements.

ASSUMPTIONS (continued)

Officials from **Moberly Area Community College** assume this proposal would have an unknown impact on their organization, with an estimated conversion cost of \$5,000 to \$10,000 for the first year.

Officials from **Missouri Southern State University-Joplin** assume that full compliance with the requirements of this proposal would result in estimated expenditures of approximately \$60,000.

Officials from **Harris-Stowe State College, Missouri Western State College, Northwest Missouri State University, Southeast Missouri State University, State Fair Community College, and Three Rivers Community College** did not respond to our request for information.

Oversight has shown unknown annual costs in excess of \$100,000 beginning in FY 2006 for the state's public higher education institutions to comply with this proposal's requirements. Although the proposal allows the institutions to continue using the Social Security Number if it notifies students of this practice, the proposal would require institutions to eliminate the Social Security Number at the request of a student. These costs have been shown in the state General Revenue Fund. Oversight has also shown unknown costs in excess of \$100,000 beginning in FY 2006 for community college districts.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
GENERAL REVENUE FUND			
<u>Cost - Higher Education Institutions</u>			
Data processing *	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND *	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
* expected to be greater than \$100,000.			

FISCAL IMPACT - Local Government

FY 2005
(10 Mo.)

FY 2006

FY 2007

**COMMUNITY COLLEGE
DISTRICTS**

Cost - Higher Education Institutions

Data processing *

(Unknown)

(Unknown)

(Unknown)

**ESTIMATED NET EFFECT ON
COMMUNITY COLLEGE
DISTRICTS ***

(Unknown)

(Unknown)

(Unknown)

* expected to be greater than \$100,000.

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would prohibit public institutions of higher education from posting student social security numbers; requiring electronic transmission of social security numbers unless the connection is secured or password protected, and from using social security numbers on certain mailings unless state or federal law requires the number to be on such document. An institution may continue to use the social security number for student identification providing it notifies students of this practice annually, but an institution must stop such use at the request of any student. The proposal would become effective July 1, 2006.

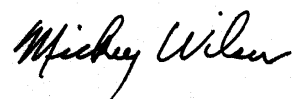
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education
Metropolitan Community Colleges
Lincoln University
Truman State University
University of Missouri
Central Missouri State University
St. Louis Community College System
Moberly Area Community College
Southwest Missouri State University
Missouri Southern State University-Joplin

NOT RESPONDING

Harris-Stowe State College
Missouri Western State College
Northwest Missouri State University
Southeast Missouri State University
State Fair Community College
Three Rivers Community College



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